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## A New Structure

The preceding papers have discussed in some detail the state of American intelligence today. They have identified a number of serious problems and, more generally, support a conclusion that the present situation is unacceptable to all parties; the National Security Act of 1947 must and will be radically altered. In this paper we seek to draw these threads together and to present recommendations for a national intelligence structure that will meet the requirements of the next quarter-century. We are unanimous in our support of these recommendations, but wish to emphasize that we arrived at this position through an exhaustive examination of the possibilities available.

### The Political Imperatives

Our recommendations grow out of a common view of the political and bureaucratic environment in which intelligence must function in 1975. The public, the Congress, and the President have concerns and interests that define in general terms the problem that confronts us.

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1. Public attitudes toward the problems posed by an intelligence service in a free society are, of course, not homogeneous, or even mutually consistent. Much of the public gives scant consideration at all to intelligence problems. Furthermore, the most articulate segments of the public are often not fully representative of public attitudes. To the limited extent that generalizations are meaningful, "the public" probably:
  - Wants the benefits and protections of a strong intelligence structure, but has little sophisticated understanding of what that desire means in concrete terms.
  - Is confused by a number of the issues which are currently the focus of both press and Congressional attention--covert action, proprietaries, domestic collection, etc.
  - Wants to be reassured that U.S. intelligence is not a "rogue elephant" and is both accountable to and effectively controlled by the public's elected representatives, the President, the Congress, or both.

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2. Congressional Attitudes. At this writing, Congress also speaks with a multiplicity of voices. To the extent that we can make generalizations about Congressional attitudes, they appear to include the following:
- A desire for a strong intelligence system, or at least for the benefits of a strong intelligence system.
  - Inadequate understanding of the structural requirements necessary for attaining these benefits, and especially of the degree of secrecy essential if they are to be attained.
  - A desire for a "correlation and evaluation" entity independent of any Cabinet department, especially of the Defense Department and the military services.
  - A recognition of the need for at least some clandestine collection operations, but without--so far--a matching willingness to face up to the secrecy requirements thereof.
  - A recognition of the need for covert action in some contexts; Congress also wants--or thinks it wants--a larger voice

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in the approval of such actions, but has not yet recognized the responsibility such a voice entails or the need for discretion it imposes.

--A desire for greater access to the intelligence product, although the constitutional implications of and obligations imposed by receiving classified intelligence are also matters Congress must ultimately face.

3. The Presidency. In discussing "the President's" attitudes, a distinction has to be drawn between the abstract needs of the office and the concrete attitudes of any specific incumbent. The former--especially as perceived by persons never likely to hold that office--may not always square with the latter. Nonetheless any President will probably:

--Want a strong intelligence system, including a strong, flexible and responsive covert action capability.

--Want reassurance that that system is under control--meaning his control and not anyone else's.

--Want the system run efficiently, with due regard for budgetary considerations.

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- Want the intelligence system and its activities not to be a source of political difficulty or embarrassment.
- Want independent advice, particularly in time of crisis, from capable people primarily loyal to the Presidency and independent of the Departments that execute policy.
- Need a system that can function well both in peace and in war, although the problems here involved--e.g., the national/tactical question--have not been thought through clearly.

4. A Given President. The specific attitude of any particular President will be very much shaped by his own personality, working style and confidence in his immediate associates (or lack thereof). Here, most generalizations are of little value. Given the formidable pressures and obstacles involved in being elected President, however, there is one generalization which probably has some validity. The holders of this office are likely to be strong-minded men inclined to place a high premium on loyalty in their subordinates, certainly in subordinates who enjoy

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their confidence. No President is likely to be charitably disposed toward, to make extensive use of, or to support any intelligence organization--or head thereof--that does not clearly acknowledge the primacy of its, or his, responsibilities to the Executive Branch and the President.

5. This President has an additional requirement. He has already suffered political embarrassment through revelation of past intelligence activities today considered by many to be unacceptable. These are not of his making, a fact that makes it both easier and more necessary for him "do something" about intelligence, to show that he is responsive to the public and Congressional mood. He also has an opportunity. His predecessors saw to varying degrees a need for structural reform in the intelligence system, reform they were unable to carry out without amending the National Security Act. This they were unwilling to do. Now, however, the Act is going to be opened up by Congress in any case. The President, in meeting Congressional requirements for fundamental reforms in the oversight of intelligence, can at the same time meet the Executive requirement for fundamental improvements in its management. This paper deals with these internal improvements, a subsequent one with external reforms.

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We believe these Congressional and Presidential imperatives are not irreconcilable in any fundamental way. We believe they can best be met by an independent DCI presiding over an Intelligence Community shaped by the necessity to balance national and departmental needs. This does not mean, however, that we advocate continuance of the present system, for it is seriously out of balance in favor of the departmental.

#### A Stronger DCI

One common thread that runs through the preceding papers is that of responsibility without authority. This is reflected in the inability of the DCI to enforce or even to make rational decisions across the entire range of intelligence management. In the production field he is unable to establish the primacy of national intelligence, containing as it does a coherent presentation of alternative positions, over uncoordinated departmental views. In the management of collection he is unable to enforce a systematic approach that can serve efficiently national needs while not neglecting departmental ones, both across and within collection systems. In resource management the budgetary weight of the Department of Defense makes it impossible for him to allocate resources rationally or to deal effectively with duplication and obsolescence. His position

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in a number of areas, most notably that of crisis management, is being eroded by encroachment of the military. In short, responsibility without authority is more than a cliché'.

To provide the authority the DCI needs we believe two essential conditions must be met. The first is a point that has often been met in these pages but will bear repeating. The DCI need not be a close friend and confidant of the President, but he must have the President's confidence and support. Especially, he must have--and be seen to have--regular, frequent personal access to the Oval Office. The historian notes that Gen. Smith was able to be effective as DCI when Adm. Hillenkoetter was not largely because his colleagues in the IAC knew he had a weekly appointment with the President.

Presidential support, however, is not enough. It is reasonable to expect that the Secretaries of Defense and State will similarly have the Presidential ear, and can outweigh the DCI unless he is able to act within a framework that provides him stronger statutory authority. The main girder of this framework should be resource management. The stronger the DCI's voice in the allocation of funds, the easier it will be for him to impose rationality in other aspects of his job. We therefore

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recommend, as detailed below, that a large segment of the intelligence budget now appropriated to Defense be instead appropriated to the DCI for further allocation to the various program managers.\*

This does not mean vesting operational control of these programs in the DCI. We have considered and rejected the concept of a unitary command structure for intelligence, either under an independent Director of National Intelligence or embedded in Defense or State. Rather, we are proposing a new concept of the DCI, one that would exchange his present powers variously to command, advise, and persuade for more effective and perhaps less conspicuous management powers at key points in the system.

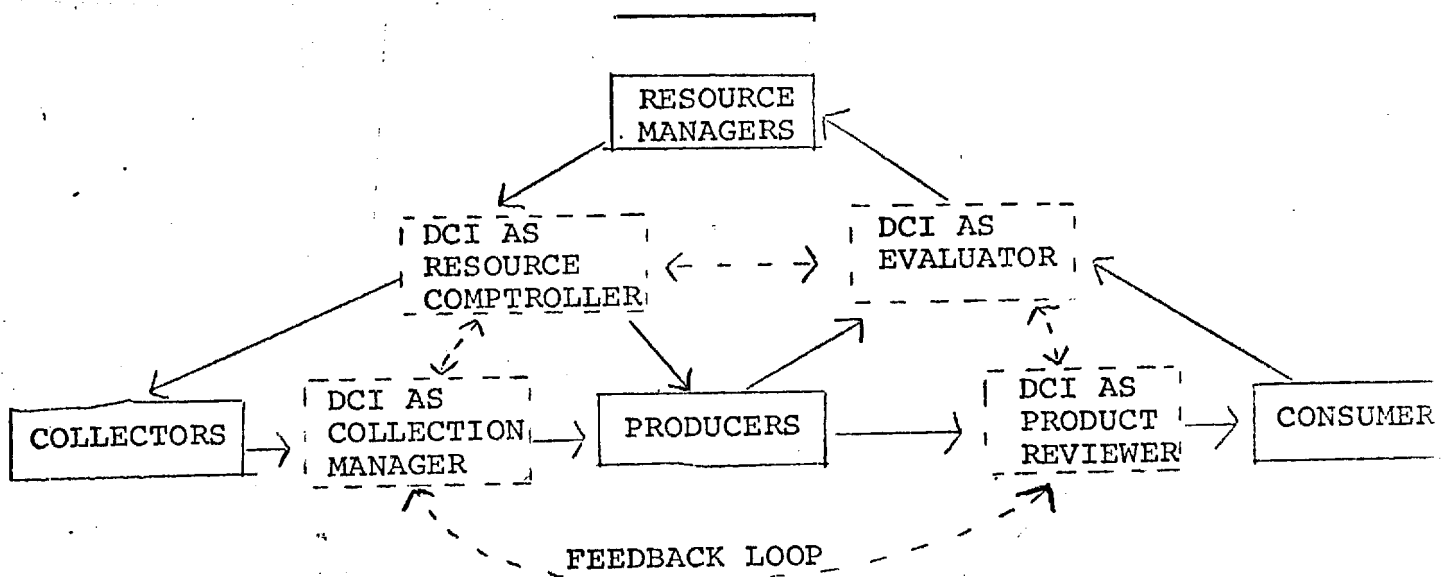
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\* Such an arrangement was established for the Poverty Program in the 1960's. Funds were appropriated to the Director of the Office of Economic Opportunity but then delegated to the Department of Labor for actual program operation.

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Of the four roles posted here for the DCI, the most important is that as comptroller. It should again be emphasized, however, that this role is clearly related to and dependent upon the other three. The DCI must have strong integrated staffs to perform all four functions.

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The DCI and the Community

CIA. This concept would greatly strengthen the DCI's management powers at a time when there are political pressures to weaken him. Thus it must be balanced by a decrease in his line authority over CIA, and we so recommend for this and a number of other reasons.

We recognize that a separation of the DCI from direct management of CIA has been suggested many times before, and as many times rejected. It was argued that:

--The National Security Act would have to be changed.

--The President could no longer look to one man for intelligence and covert action.

--The DCI would need a substantial staff.

We submit that the first two of these reasons are no longer valid. The third is obviously true, but not necessarily a reason for maintaining the status quo.

On the other hand, the reasons for such a separation are stronger than before.

--Attempts over the years to give the DCI a stronger role in coordinating the Intelligence Community while he simultaneously serves as the head of an independent agency have been less than successful.

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- Both the 1947 Act and the President's letter of November 1971 give the DCI important responsibilities in the Community as a whole. His ability to exercise these responsibilities has been compromised by his role as head of the CIA, both externally in the Community and internally within the Agency.
- CIA's public reputation is unfortunately a fact. A DCI not closely identified with it would be far more politically acceptable and available as the senior national intelligence officer. Indeed, a President would find it easier to give a DCI the access and confidence upon which his power must ultimately rest if the DCI were not himself considered an intelligence operator.
- Present arrangements already require the DCI to carry a number of very complex responsibilities; if we increase further his overall management and budgetary role, we must reduce his management span in other ways.

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These reasons made a compelling case for a DCI acting as Presidential adviser and leader of the Community, with a CIA (or perhaps FIA) under a Director separately appointed and confirmed. We believe such a DCI should be a statutory member of the NSC, both to increase his status relative to State and Defense and to clarify his relationship to the D/CIA.

Defense. Another common thread running through these papers is the adversary relationship of CIA and Defense over a broad range of issues. It is here that the balancing of national and departmental interests becomes most difficult. On the one hand, the existence of an intelligence organization (CIA) not subject to the control of any other line department or agency within the USG is essential; on the other the Department of Defense, charged with responsibility for defending the nation, requires a measure of control over important collection, processing and other intelligence activities which also contribute in major ways to the solutions of problems faced by CIA. These two facts are both the basis for many of the problems which have characterized the overall management of American intelligence since World War II and the reason why workable solutions to these problems are so difficult to develop.

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- For a number of reasons, primarily the high cost of technical collection systems and their overlap with tactical intelligence, the bulk of the national foreign intelligence program budget involves Defense Department funds, controlled by that Department, plus personnel and physical assets also belonging to it. The President's letter of November 1971, however, makes the DCI in some way responsible for this budget, including funds for tactical intelligence.
- In a wartime situation, the military services' need for certain types of intelligence will be paramount, and neither they nor their civilian chiefs will be comfortable with any arrangement which does not give them control over the assets providing this needed support.
- In peacetime, the military services are geared toward insuring that the intelligence needs of major US force commanders are met.
- The wartime/peacetime problem is complicated by an ambiguity inherent in the Defense Department's notion of the

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"National Command Authorities," a concept which includes the President and the Secretary of Defense, but does not include other officers of the government such as the Secretary of State and the DCI.

--There is an understandable resistance in the Defense Department, and particularly in the uniformed military, to the concept that at any group--especially a group of "civilians"--should provide independent analyses to the President which affect decisions regarding U.S. military forces.

Given these attitudes, a proposal to transfer substantial funds and authority from Defense to the DCI would obviously meet bitter resistance--and would probably be defeated--unless it can be demonstrated that Defense will derive considerable benefits from the arrangement. We believe this can be done through an agreement between the DCI and the Secretary of Defense, ratified in statute, that both defines and greatly changes their respective roles in the management of intelligence.

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The root of the problem lies in a failure to recognize the impact of planning for war on practice in peace. The role of the Secretary of Defense in war-time is very clearly established and is embodied in the NCA concept. The role of the DCI in war, on the other hand, is fuzzy indeed. This causes bureaucratic guerrilla warfare cross a wide front. There is much skirmishing for authorities, access, systems resources--Defense because it will need them in war time, CIA because it needs them in peace. The result has been uneasy compromise, duplication, and distrust; we still do not have a truly national intelligence system. Moreover, at the onset of war, or at various undefined points in a major crisis, national intelligence assets would be transferred piecemeal to Defense control under chaotic conditions. The nation would not be well served.

If, however, we consider the question from the wartime end rather than, as we have since 1947, from the peacetime one, A "Gordina knot" formula becomes apparent. The National Security Act of 1975 might read more less as follows:

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The DCI shall be a member of the National Security Council responsible to the President, except that in the event of major hostilities he shall be responsible to the President through the Secretary of Defense, unless the President directs otherwise. When he is subordinate to the Secretary of Defense he shall retain the right to render substantive assessments independently to the President.

Such a formulation would tend to cause the interests of the Secretary of Defense and DCI to converge where they are now adversary. The Secretary would be more interested in seeing that the DCI built a strong intelligence system in peacetime, while the DCI would be more concerned that the system be designed to meet Defense's needs in peace or war. The DCI would be de facto a part of the National Command System, and his relationship to the National Command Authority would be clearly established. In the event of war, the entire system, including the DCI, would move to Defense as a unit with far less disruption of internal command mechanisms than would take place under present understandings. The door would be open to develop a more coherent system, with a unitary budget, in peace. At the

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same time, the Congress could be assured that the peacetime DCI was in fact independent of the Department of Defense.

The extent to which the intelligence structure can be rationalized and its management strengthened depends directly on the degree to which the DCI-Defense relationship can be clarified and made compatible.

State. The DCI's relationship with the Secretary of State is less complex than that with the Secretary of Defense. (We speak here of the general relationship, not of the unusual situation created by the dual responsibilities of Dr. Kissinger). It is also less troublesome, but there are nonetheless a number of important and persistent problems.

--As Defense resists independent intelligence assessment and reporting on matters affecting the military, State resists on matters affecting diplomacy. On the other hand, the DCI needs State support to strengthen the civilian hand in intelligence assessment.

--The most important single source of political and economic intelligence is Foreign Service reporting. State does not consider this to be intelligence and will not accept any linkage between it and intelligence requirement mechanisms.

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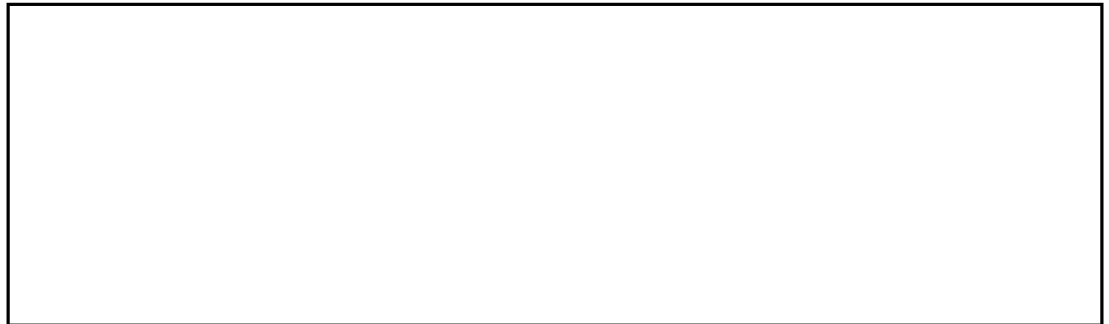
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--Covert action is, or should be, the subject of close coordination with State both in Washington and in the field. The DCI often finds himself in the middle between an activist Ambassador and a Department traditionally cautious to the point of paralysis in such matters.

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--The Intelligence Community must work with State through INR, but INR has little influence over the operational arms of State that control most matters of vital importance to intelligence.

Some of these problems would undoubtedly yield to the increased general authorities we propose for the DCI. There does not exist, however, any mechanism by which

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the entire range of DCI-State relationships can be regulated at a senior level. We believe there should be an arrangement whereby the Under Secretary of State for Political Affairs is charged with these matters in the Department and meets regularly with the DCI to sort them out.

NRO. A DCI armed with budgetary powers and a defined relationship with Defense will be in a position to manage technical collection more efficiently, to make more sensible choices, and to respond more flexibly to new requirements. Better arrangements will be needed, however, to link him with technical program managers. The NRO in its current form is an anomalous patchwork cobbled together in considerable bureaucratic strife; it cannot persist in its current form. The element of competition within the NRP is not as important in the present and future as it was in the past and the problems of coordinating within a structure designed for competition are becoming increasingly difficult. Second, the need for military commanders to derive direct support from satellite collection resources is becoming increasingly important, but a policy allowing each military service to pursue its own satellite collection programs would be prohibitive in cost, inefficient, and unnecessary. The current NRO organization

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with the Under Secretary of the Air Force as director is not well suited to meet this problem.

We recommend that the NRO be reorganized as a integrated operating organization under the D/CIA. It would incorporate NPIC as well as those CIA elements now funded by the NRP. This would create an organization analogous to NSA, which has under NSCID #6 a clear line of command over virtually all of the CCP. We note that an NRO under CIA might balance an NSA under Defense.

NSA. The strengths of NSA are also its weaknesses. Unitary organization coupled with physical separation produces a self-contained (indeed, introverted) organization isolated from and resistant to legitimate external interests in its business. NSA is the hair shirt of any DCI seeking to exert any authority over it or even to extract the information he needs to form any judgment as to its effectiveness and responsiveness to national needs. We recognize that NSA is so entangled with the Department of Defense that a transfer to DCI or CIA authority is not practical. We believe, however, that an arrangement analogous to the present NRO EXCOM would at least put the DCI in a strong position on NSA's board of directors.

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Recommendations

In summary, our recommendations are as follows:

1. Amend the Act to create a DCI separate from the CIA and to establish a working relationship between him and the Secretary of Defense.

Make him a member of the NSC.

2. Provide him with a staff capable of performing at least the substantive review and collection guidance, resource management and evaluation, and inspection functions. There are of course many other staff functions that could be assigned, such as administration of a Community-wide intelligence career service.\*

3. Charge him with preparation of a total intelligence budget covering the CIAP, NRP, CCP, and some elements of the GDIP  Otherwise leave responsibility for GDIP in Defense. Appropriate funds for the programs covered by his budget to him for allocation according to guidelines jointly agreed with OMB and Congress.

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4. Create a new D/CIA or D/FIA appointed by the President and confirmed by Congress. Place under him the present CIA minus the DCI's staff and plus

\*What elements of the present CIA he should take with him is a complex question that must ultimately be addressed. There are strong arguments in favor of a small staff limited to coordination, but there are also strong arguments for assigning to the DCI the "correlation and evaluation",

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NRO. He would be under law responsible to the NSC but in practice would report through the DCI.

5. Leave operational command of NSA in Defense, but establish an EXCOM as a board of directors over it.

6. Place DIA under the JCS. Give OSD the option of drawing on DIA or on the DCI for substantive support, but ensure that the DCI retain his independence in reaching the judgments thus provided. Eliminate ASD/I and assign his residual functions to the Deputy Secretary of Defense.

7. Reorganize the structure of boards and Committees as follows:

- The DCI would chair a Production Board with the substantive responsibilities of the present USIB. Membership: D/CIA, D/INR, D/DIA, possibly some observers.
- He would chair an EXCOM to handle general management problems involving Defense, especially the CCP and NRP. Membership: D/NRO, D/NSA; D/DIA when appropriate.
- He would chair a National/Tactical Planning Board. Membership: D/FIA, D/DIA, Director, Joint Staff, and representatives of the U & S Commands.

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- He would chair an Intelligence Administrative Committee responsible for coordinating all DCI-State bilateral matters. Membership: Deputy Secretary for Political Affairs, D/INR, D/FIA, with Defense representation when appropriate.
- Finally, he would chair a rejuvenated NSCIC. (Putting the interested party in the chair is the only way to get NSCIC off the ground).
- IRAC would be abolished, but its R&D Council would be retained. Any residual functions of USIB not otherwise covered would be handled as command responsibilities of the DCI.

These changes add up to a relatively "clean" arrangement given the complexity of the matters involved. We believe they would greatly improve the management of US intelligence. We are fully aware that these changes are revolutionary as change goes in the bureaucratic world, and that they will meet strong resistance in many quarters. In particular, the ability of the DCI to meet military needs has not been tested and will be suspect. Nevertheless, these are traumatic times. They create both the need and the opportunity for radical change.